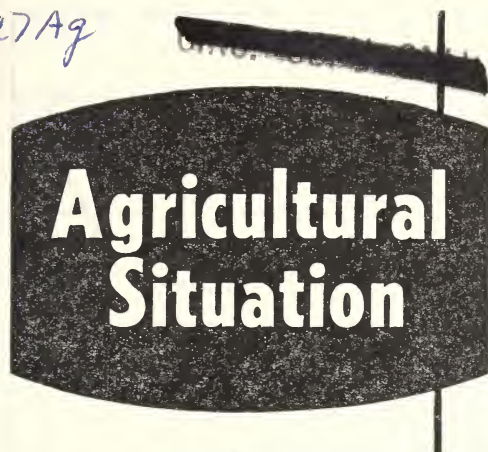


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# MACHINES TAKE UP SLACK

## In Fruit and Vegetable Harvest

What happened when fruit and vegetable growers had to replace foreign workers with unskilled domestic youth and industrial unemployed labor last season? By and large, the overall result turned out better than expected. Admittedly, a slightly greater than normal amount of production wasn't harvested. But part of this loss was due to hurricanes and unseasonal weather.

Labor used for all crop production in 1965 declined to 3,857 million man-hours, 3 percent under 1964 and 78 percent less than the 1957-59 average.

In contrast, more labor went into the vegetable and fruit harvest. A record vegetable crop was produced with 392 million man-hours, 2 percent more than the previous year. Production of fruit and nuts used 582 million man-hours. This also was a 2 percent increase over 1964.

Despite the increased labor, however, production per man-hour for vegetables rose 4.8 percent from 1964. For fruit and nuts, it rose 3.7 percent.

The gain in labor productivity was due in large part to new harvesting and handling equipment. Here's what happened:

**Vegetables.** The tomato-harvesting machine eliminated more man-hours in 1965 than any other piece of vegetable

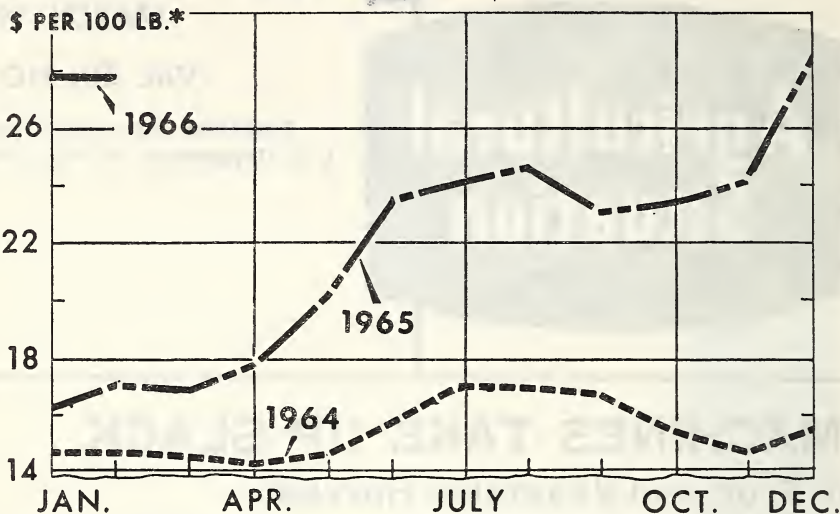
equipment. Preliminary performance estimates show the average machine used a crew of 24—1 operator, 19 sorters, 3 tractor drivers, and 1 forklift operator. Crews averaged 10 hours a day, so labor totaled 240 hours. Output ranged from 140 to 200 tons per day, varying the labor requirement from 1.2 to 1.7 hours per ton. This compares with 7.2 or 7.3 hours per ton by hand.

The proportion of the California tomato crop mechanically harvested in 1965 is reported between 25 and 30 percent, or 612,000 to 730,000 tons. Thus, the tomato harvester replaced 3.4 to 4.0 million man-hours. Machine harvesting cost about \$10 per ton (\$7 direct and \$3 for depreciation). In contrast, growers reported hand harvesting ran about \$14 to \$16 at the truck (at a rate of 25 cents a box).

This year, manufacturers expect to have some 800 tomato harvesters in the fields. This number can easily handle 120,000 acres, 80 to 85 percent of the normal California crop.

Two types of mechanical cucumber harvester are available, a "one pick" machine and a "multipick" machine. The first machine lifts a swath of vines, cuts the roots, strips the cucumbers off, and discards the vines. The other one straddles a row, lifts the vines onto a picking bed, knocks the cucumbers from

# HOG PRICES



\* BARROWS AND GILTS AT 8 MARKETS.

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 4218-66 (2) . ECONOMIC RESEARCH SERVICE

the vines, and returns the vines to the ground. The vines are picked every 4 or 5 days for up to nine pickings.

Users indicate that cucumber machine costs per production unit equal or undercut costs of harvesting by hand. The mechanical pickers sell for about \$10,000.

Mechanical harvesters for snap beans, potatoes, carrots, celery, and onions all received more widespread use last year.

A selective lettuce harvester and a nonselective asparagus harvester were also available, but lettuce growers were able to get enough hand labor last year, and adoption of machinery lagged.

*Fruits and Nuts.* Mechanizing the fruit harvest has given agricultural engineers a lot of headaches. Most fruits are very easily bruised, and trees are

awkward to design equipment for. But shakers and catching frames for some fruits and nuts are working well.

Tart cherries have been most successfully harvested by machine. Although tree shakers are much cheaper than hand labor, growers have been slow to adopt equipment because they use the same labor for other crops, and some processors refuse machine-harvested cherries.

Tree shakers also can be used for apples and peaches if these fruits are used almost immediately for processing.

Grape harvesters have been around for several years and eventually should catch on. And vibrators with catching frames can harvest blueberries.

Earle E. Gavett  
Economic Research Service

The Agricultural Situation is sent free to crop, livestock, and price reporters in connection with their reporting work.

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# OUTLOOK

## HOG 'BLOOM' MAY FADE

Hog producers should be alert to the danger of overexpanding production next fall and in spring 1967. A substantial rise in farrowings next fall and in 1967 could make for unprofitable hog prices in 1967.

Hog prices are expected to weaken after midyear in response to increases expected in slaughter supplies of hogs, as well as poultry. Prices in July-December likely will average below the relatively high year-earlier levels, though most of the decline will occur in the fourth quarter. Favorable prices for other red meats, as well as a strong demand situation, will tend to support hog prices somewhat. So, hog production throughout 1966 is likely to continue profitable.

Producers' intentions on December 1 pointed to larger farrowings—a 6-percent gain during December 1965-May 1966. If production is in line with these intentions, the December-May pig crop will total about 46 million head. This would be 7 percent larger than a year earlier, but about 4 percent smaller than the 1964 spring crop. Pigs born in these months will provide most of the hogs for slaughter during the second half of 1966.

However, with the sharp increase in hog prices late last fall and the more-than-expected cutback in slaughter during December-February, late-spring farrowings may exceed the intentions stated by producers on December 1. (The report on December-February farrowings and indicated farrowings for March-May in 10 States was issued March 22. A digest of it will appear in the April *Agricultural Situation*.)

In any event, slaughter supplies are expected to be above year-earlier levels during the fall. Even if late-spring farrowings are up more than presently indicated, slaughter rates would likely not be up substantially until late in the year or early in 1967.

Hog slaughter in January and February continued well below year-earlier levels, reflecting the reduction in last

fall's pig crop and the withholding of gilts for breeding. In January, federally inspected hog slaughter totaled 4.7 million head, down 22 percent from a year earlier. And weekly slaughter in February averaged 14 percent below February 1965.

Hog slaughter is expected to continue below year-earlier levels during the coming months. However, the margin will narrow this spring due to the relative increase in the late-fall pig crop.

The sharp reduction in slaughter supplies so far this year has resulted in continued strong hog prices. Barrows and gilts at eight markets averaged \$27.90 per 100 pounds in both January and February, but declined in early March. Sow prices, too, were near record levels in January, at \$23.84 per 100 pounds, and in February, at \$25.09.

Robert L. Rizek  
*Economic Research Service*

## Bees Back Off

Honey production of about 278.2 million pounds during 1965 was 2 percent below 1964 and the smallest output since 1962, according to the Crop Reporting Board. In the top 10 States, only California, Texas, and Illinois had higher production than in 1964.

Production per colony averaged 50 pounds compared with 50.9 pounds in 1964, but was still the third highest yield in the past decade. The 1965 crop was produced by about 5.6 million colonies, 1 percent below 1964.

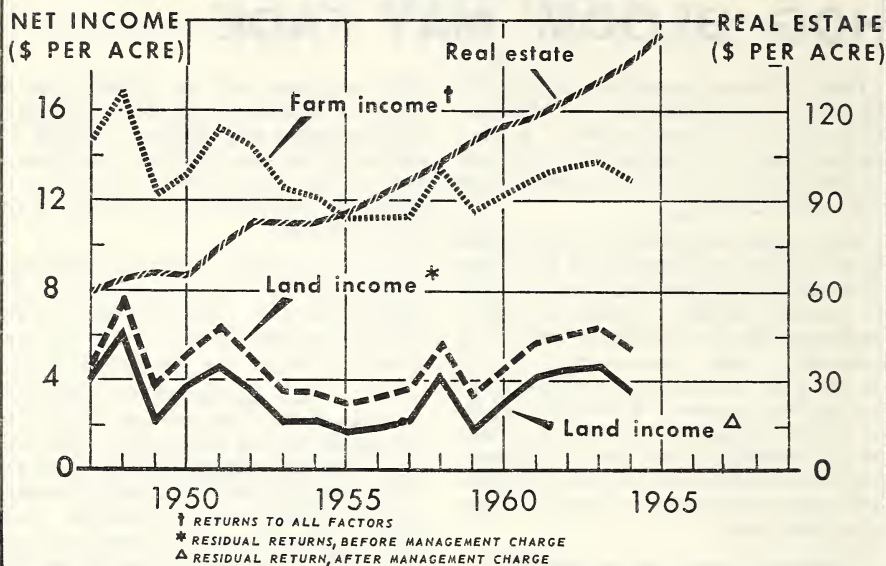
Beeswax production was nearly 5.4 million pounds, slightly larger than the 1964 figure of 5.3 million.

Producers reported 68 million pounds of honey on hand for sale in mid-December compared with 75 million a year earlier and the 1959-63 average of 64 million. Stocks of honey in mid-December represented 24 percent of the 1965 crop compared with 26 percent in 1964.

*Statistical Reporting Service*



## INCOME AND REAL ESTATE VALUES



U. S. DEPARTMENT OF AGRICULTURE

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## TECHNOLOGY . . . ? ? ? EFFECTS

You hear a lot about technology in farming today. To some people, it means a new, high-powered tractor, or a better kind of weedkiller, or a push-button cattle-feeding system. To others, technology is the adoption of better management or improved farm practices. In any case, most of us regard technology as a good thing.

However, technology isn't without some drawbacks. For example, there's some evidence that technology in recent years has widened the gap between the large commercial farmers and the small, less efficient operators.

Although agriculture doesn't have an exclusive claim to technology, its effects on farming are far different from those common to industry. There, the technological "payoff" is usually in new products. In agriculture, the end result is a reduction in costs, or an increase in output—generally both. And it's the latter that has often led to problems.

If the rate of discovery and adoption of new inputs—seeds, fertilizers, equipment, and the like—and new ways of doing things could be geared to the rate of increase in the demand for farm products, frequent overproduction would be much less of a headache.

However, despite some surpluses, farm prices during the past decade have been nearly constant, largely because some prices have been supported by Government programs. And, since prices have been comparatively stable, most of the benefits of new technology have gone to land, jacking up values per acre. Land income per acre (land's share of farm returns) has risen 58 percent since the mid-1950's. At the same time, total net income per acre has gone up only 6 percent.

The returns from technology have gone to land, rather than to farmers for their labor and management, because the supply of land is more limited. Despite the steady decline in farm num-

bers, there's still a labor surplus in agriculture. Many farmers are "locked in" because they are too old to change, or they lack skills and training to work in industry, or because off-farm jobs aren't available.

Some farmers try to get around the situation by buying more land to expand their operations. Many of those buying extra land, however, are already operating larger-than-average farms in their communities. Hoping to further reduce their costs per unit of production, they often have already cut ex-

penses much more than the smaller operators in the area.

The main reason large operators buy more land is simply because they can afford it and the small farmers can't. The large operators have more equity capital and easier access to credit. So, land prices are often bid up much higher than the average farmer could pay, if he could get credit. This is the other side of the technology coin.

William H. Scofield  
*Economic Research Service*

## MANY KINDS OF INSURANCE HAVE SAME BASIC PURPOSE

Hedging against the unknown. That's what you're doing when you buy insurance. And if you are like many farmers, you are buying more. During 1965, the premiums and social security payments farmers paid amounted to \$2.1 billion, an increase of about \$50 million over the 1964 figure.

These premiums and payments averaged \$620 per farm last year, about \$30 more than in 1964. Life, health, and accident insurance accounted for almost 45 percent of the total. Another 35 percent was split evenly between motor vehicle insurance and social security payments. The rest went for insurance on crops, farm machinery, livestock, and farm buildings.

One of the major unknowns in the business of farming is fire. During 1964, farm property losses from fire and lightning were estimated at \$193 million, a record high and 1 percent over 1963. Higher fire losses are partly explained by rising replacement costs and the greater risk of buildings made obsolete by new technology and farm consolidations. Also, many farms are still isolated from fire stations, lack adequate fire control equipment, have less rigid wiring and construction codes than urban homes, and in some cases, have more hazardous types of home heating.

Farmers have rapidly increased their hail insurance coverage on growing crops in recent years. In 1964, they bought more than \$2.9 billion worth.

This compares with less than \$1.4 billion in 1951. Hail insurance premiums in 1964 amounted to nearly \$110 million. Farmers received slightly less than \$70 million for losses.

The Federal Crop Insurance Corporation in 1965 insured crops for about \$594 million, a gain of 9 percent from 1964. Twenty-four crops were included last year. FC insurance was available in 1,215 counties compared with 1,187 in 1964. Premiums rose from less than \$34 million in 1964 to an estimated \$36 million. Indemnities were \$30 million and about \$36 million in the 2 years.

As farms become more mechanized and more motor vehicles are used in farming, both medical and liability insurance become more important. The death rate from farm accidents increased from 10.4 per 100,000 farm-people in 1949 to 17.6 in 1964, an increase of 69 percent.

The Social Security Amendments of 1965 will require farmers and others to report more income and pay more taxes this year. However, farm people stand to benefit from larger social security payments and of course, the Medicare Program. The new law also permits payments to some persons not covered earlier, makes it easier to qualify for disability payments, and raises retirement income limits for persons 65-72 years old.

Lawrence A. Jones  
*Economic Research Service*

# CATTLE RANCHES . . . Better Off Big

Ever get fed up and think you'd like to try some other kind of business? Well, cattle ranching may be a good alternative. Or, it may not if you look at the results of a recent study of 140 ranch operations in Arizona and New Mexico. The pasture on their side of the fence isn't always green. Among 14 selected representative ranch situations, 4 weren't making enough to cover cash costs and depreciation. About half weren't making enough extra to cover more than 2 percent on the investment.

The representative ranches in the study varied in carrying capacity from 34 to 512 animal units. Ranches with fewer than 68 units were losing money. But net income rose, with size, to \$15 per animal unit for the larger operations.

Total investment ran from \$21,280 to \$288,578—or from \$256 to \$722 per animal. Total costs ranged from \$3,828 for a 35-animal unit ranch to \$24,027 for a 512-unit operation. Per

animal unit, the high was \$123 and the low, \$49.

Supplemental feed, hired labor, fuel and oil, taxes, and grazing fees accounted for about 70 percent of total costs. The rest was allotted to depreciation, death loss on purchased livestock, and an allowance for operator and family labor. These noncash costs per animal unit generally declined as the size of operation increased.

Both cow-calf and cow-calf-yearling operations were included in the study. The smaller ranches were largely cow-calf operations; the larger spreads were mostly cow-calf-yearling. Mature cows and replacement heifers averaged about three-fourths of the livestock inventory. The percentage of yearling steers in the inventory rose with ranch size.

The ranches depended on Federal range forage for 27 to 93 percent of their yearly feed requirements. Operations with seasonal grazing permits were least dependent; those with year-long permits were most dependent.

## Livestock Inventory Down Slightly

There were 106.6 million cattle and calves on farms and ranches as of January 1, a reduction of 1 percent from a year earlier. The decline follows 7 consecutive years of gain.

A cut of 6 percent in the number of milk animals more than offset a 1 percent rise in beef cattle. The number of cows and heifers 2 years old and older kept for milk dropped to 16.6 million head—the smallest number since 1900.

The January 1 inventory of hogs and pigs on farms was 51.2 million head, 4 percent under 1964 and the least since 1955.

All sheep and lambs totaled 26.5 million head, 1 percent below a year earlier. The number on feed January 1 was up 1 percent while the number of stock sheep declined 1 percent.

The number of chickens on farms slipped 1 percent to 371.4 million head, while the number of turkeys rose 9 percent to nearly 7.0 million head.

The total value of all livestock and poultry on farms and ranches January 1 was \$17.5 billion, up 22 percent from a year ago. The aggregate value of meat animals (cattle, hogs, and sheep) was \$17 billion, also 22 percent larger. The January 1 value of all cattle and calves was \$14.2 billion, up 16 percent. The value of hogs and pigs increased 76 percent to \$2.3 billion, the highest since 1948. The value of all sheep, \$523.9 million, was up 5 percent and the value of turkeys, \$36.8 million, was up 31 percent.

Regionally, the cattle inventory was down 4 percent in the North Atlantic States, 5 percent in the East North Central States, 2 percent in the South Atlantic, and only slightly in the West North Central States. Inventory numbers rose 1 percent in the south central and western regions.

E. B. Hannawald  
*Statistical Reporting Service*



# MILK PRODUCTION PER COW SETS NEW RECORD

Milk production last year, at 125.1 billion pounds, was 1.5 percent below the record total in 1964. The trend to fewer cows continued, and milk output per cow made the smallest yearly gain since 1954.

The annual average number of milk cows in 1965, at 15,477,000, was 3.6 percent below the previous year.

Output per cow was at a record rate of 8,080 pounds. But this represented a gain of only 2.2 percent from 1964. Annual increases the past decade have averaged 3.3 percent.

On a daily basis, total milk production in 1965 averaged 1.3 percent less than in 1964. Total output was equivalent to 643 pounds per person—down 18 pounds from 1964.

New records were set in 1965 for production of eight manufactured dairy products. Output was higher than previously for several cheese varieties—Swiss, Italian, cream, blue mold, and cottage (both creamed and curd). Total cheese production was a record, topping by 1 percent the previous high in 1964. Output gains over 1964 for individual varieties were: Blue mold, 14 percent; Limburger, 10 percent; Italian, 6 percent; Swiss and cream cheese, 3 percent each; and cottage cheese (cream and curd), 1 percent. American cheese production was unchanged. Brick and Muenster cheese output (combined) dropped 5 percent; Neufchatel production was down 20 percent.

Creamery butter output slipped 7 percent from the previous year to the lowest level since 1959. Production of three frozen products reached new peaks, as ice milk gained 8 percent; ice cream, 2 percent; and milk sherbet, 1 percent. Mellorine output rose 1 percent.

Canned sweetened condensed whole milk production was up 2 percent, the highest since 1949. Output of evaporated whole milk dropped 10 percent and was the lowest since 1932.

Nonfat dry milk production for human food declined 8 percent to the

lowest point since 1960. Dry whole milk output was off 3 percent and dry buttermilk production, 14 percent. Output of dry skim milk for animal feed rose 7 percent.

Dealers' buying prices for milk used for fluid purposes in 1965 averaged \$5.39 per hundredweight. This is 4 cents above 1964. The average price for single quarts of whole milk home delivered in 25 major cities was 28.1 cents, a half cent above the year before. Half-gallon home-delivered prices in these markets averaged 46.2 cents.

I. E. Wissinger  
*Statistical Reporting Service*

## CALLING ALL CROP REPORTERS

The people in SRS would like to thank the more than 100,000 farmers who took the time to fill in and mail their prospective plantings survey cards. You proved once again that volunteer crop reporters are really and truly the backbone of the Federal-State crop reporting system.

By the time you read this, the statisticians in the State offices will have compiled the replies on the cards, prepared State reports, and sent the totals on to Washington, D.C. There the national report will be assembled and released March 18.

If you didn't get to your card this time, we hope you'll resolve to send it in the next time around. If you did get the job done, we appreciate it. In any case, we hope you'll be interested in the results. We'll be carrying a digest of the prospective plantings report in the next issue. We hope it will help you make any last-minute changes in your plans for 1966.

Glenn D. Simpson



Based on Information Available March 10, 1966

### WHEAT SITUATION

Heavy disappearance, well in excess of the 1965 crop, is the current major theme. During the first half of the marketing year (July–December), total disappearance set a record slightly over 800 million bushels, some 65 million above a year earlier. Disappearance during the balance of the year is expected to continue above 1964–65 and exceed the 1.4 billion-bushel total. The carryover June 30, 1966, may be around 185 to 225 million bushels below the 818 million a year earlier. Disappearance is up due to gains both in domestic food and feed use and in exports. Domestic use of wheat is now estimated around 685 million bushels, up some 40 million, and exports may total 100 to 150 million bushels above the 728 million in 1964–65. With the current high level of disappearance, prices have remained well above applicable price support loan rates. During July–December 1965, the farm price was 10 cents over the national average loan compared with a premium of 6 cents in July–December 1964.

Agriculture Situation

### CATTLE MARKETINGS

Fed cattle marketings during January–March likely will average above both the fourth quarter of 1965 and year-earlier levels. The January 1 inventory of cattle on feed in 32 States totaled 9.8 million head, up 5 percent from January 1, 1965. Cattle feeders stated intentions to market 4 percent more cattle out of feedlots during the first quarter than the 4.3 million head marketed January–March 1965. Weight groupings of cattle on feed January 1 and subsequent marketings in 5 States (California, Arizona, Texas, Colorado, and Nebraska) indicate these intentions are likely to be met. Marketings during April–June are expected to continue at a high level and moderately above the 4.4 million last year.

Agriculture Situation

# RETIRE? . . . NOT ME!

Thinking about retirement? If you are, you're an exception. Despite all the recent emphasis on social security and on making definite retirement plans, most farmers still don't often think about such things.

A survey of South Dakota producers showed three-fifths had made no definite plans. Fifteen percent had no intention of ever retiring. As might be expected, those who had made plans were more likely to be near retirement age. However, all the age groups included farmers who never expected to retire.

Why did some farmers make retirement plans while others didn't? Present and future financial status were of major importance.

Nearly a third of the South Dakota farmers having a net worth of \$42,000 or more had definite plans. Only 19 percent of those with less than \$20,000 net worth had made retirement decisions.

And, 29 percent of those who thought their income after age 65 would be adequate for a comfortable living had retirement plans, compared to 22 percent of those whose incomes after retirement would be barely enough to get by on, and 11 percent of those who thought their incomes after retirement wouldn't be enough to live on.

Thirty percent of the farmers who owned their land had definite plans to retire. Only 19 percent of the tenants

who expected to own land before retirement had plans, and only 17 percent of those who had no hope of owning land had plans.

Among those who never expected to own land, the number who said they didn't expect to retire was about double the proportion of farmers owning or expecting to own land before retirement age.

Only a fifth of the farmers in the South Dakota survey thought retirement would mean no more hard work. About two-thirds said retirement would reduce their labor considerably, and the rest said it wouldn't matter.

Half the respondents who expected to do some physical labor after retirement had farming in mind. A fifth were figuring on nonfarm day labor; however, many of these men lived near a metropolitan area where off-farm work would be more readily available.

While 80 percent of the farmers thought they would still do at least some labor after retiring, over two-fifths thought they wouldn't be making management decisions. Nearly as many thought they would make fewer management decisions, and the rest thought they would make just as many as before.

Farmers in the South Dakota sample also indicated they would prefer to retire at 61.6 years of age (the average reply) rather than at the generally accepted age, 65.

## Calf Crop Larger, Lamb Crop Slips

The 1965 calf crop was 43,140,000 head compared with 43,103,000 for 1964. This small increase made 1965 the seventh consecutive year in which the number of calves born was larger than in the preceding year.

A slight gain resulted from more cows and heifers on farms early in the year than in 1964. There were 50,376,000 cows and heifers 2 years old and older on January 1, 1965, up from 49,899,000 a year earlier. However, the number had declined to 49,243,000 head by January 1, 1966.

The number of calves born in 1965, as a percentage of cows and heifers 2 years old and older at the beginning of the year, was 86 percent, the same as a year earlier.

The 1965 lamb crop totaled 17,557,000 head, 2 percent under the 1964 crop. The 13 western sheep States (western region, South Dakota, and Texas) produced 1 percent fewer lambs than a year earlier.

R. P. Christeson  
*Statistical Reporting Service*



# SOYBEAN STOCKS SET NEW MARK

*Soybean* stocks on January 1 totaled 619 million bushels, exceeding the previous record a year ago by 18 percent. Stocks of the four feed grains totaled 162.5 million tons, 4 percent larger than on January 1, 1965. Stocks of each feed grain were larger than a year earlier.

*Wheat* in storage totaled 1,399 million bushels, the lowest January 1 holdings in 12 years. However, despite a drop in total wheat stocks, there was more Durum wheat.

*Rye* and flaxseed stocks were both up sharply from a year ago.

*Corn* in all storage positions on January 1 totaled 4,099 million bushels—4 percent more than last year but 7 percent below average. Production in 1965 was 16 percent larger than in 1964, but carryover of old corn on October 1 was nearly a fourth less than the previous year. Indicated disappearance during October–December, of 1,242 million bushels, was above a year earlier and the average.

*Oat* stocks on January 1 totaled 783 million bushels, 73 million more than on January 1, 1965. *Barley* stocks of

313 million bushels were up 1 percent. *Sorghum grain* in storage came to 990 million bushels, a 4 percent increase.

*All wheat* in storage January 1 was 8 percent less than last year. Disappearance during October–December is indicated at 369 million bushels, the largest for this period since records were started in 1934. Farm stocks of 408 million bushels were the largest since 1961 while off-farm holdings, at 931 million bushels, were the smallest since 1954. About 56 percent of the total was either owned by the Government or under Government loan. A year ago, the comparable figure was 62 percent.

*Durum wheat* stocks on January 1 were 98 million bushels, 5 percent more than a year earlier and the largest January 1 holdings since records were started in 1962.

*Rye* stocks of 28.5 million bushels were the largest January 1 holdings since 1956. Farm stocks totaled 13.1 million bushels, up 13 percent. Off-farm holdings, at 15.4 million bushels, were 60 percent larger.

*Statistical Reporting Service*

## Rice Stocks Lower This Year

Rough rice stocks in all storage positions on January 1 totaled 46 million cwt., 4 percent less than a year earlier. Rough rice stocks in the southern area were down 5 percent while stocks in California were down 3 percent. Of the total, 15 percent was on farms, 28 percent at mills and attached warehouses, and 57 percent in warehouses not attached to mills.

Milled rice stocks in all positions on January 1 totaled 5.1 million cwt., 6 percent above a year ago and the largest January 1 holdings since 1960. Milled rice stocks in the southern area were down 10 percent, but stocks in California were more than double the year-earlier holdings. Of the total, 53 percent was located at mills, 13 percent in

detached warehouses, and 34 percent in ports or in transit.

Most January 1 stocks were owned by mills. Farmers held the next largest share, with the Government accounting for small amounts in some States.

(These estimates do not include stocks outside the six major rice producing States—Missouri, Mississippi, Arkansas, Louisiana, Texas, and California.)

### PEANUT STOCKS:

Peanuts held in off-farm storage positions on January 31, 1966, totaled 1,555 million pounds of equivalent farmers' stock. This was 7 percent above a year earlier, but 11 percent below a month earlier.



# Spud, Onion Stocks Much Higher

**POTATO STOCKS:** Storage stocks of potatoes held by growers and local dealers in the fall producing areas of the country totaled 123.3 million cwt. on January 1, according to the Crop Reporting Board. This was 30 percent more than the 95.2 million cwt. on hand a year earlier and the largest January 1 stocks since 1962. These stocks consist of potatoes held for all uses on January 1.

The eight eastern fall States had 38.2 million cwt. of potatoes on hand compared with 41.2 million a year earlier. January 1 stocks in the nine central fall States were 27.3 million cwt. this

year, 18.9 million in 1965. In the nine Western States, stocks totaled a record 57.8 million cwt. Last year's holdings were rather low—35.1 million cwt. Holdings in all major Western States were up substantially.

**ONION STOCKS:** Stocks of sound onions in common and cold storage on January 1 totaled nearly 5.8 million cwt., 13 percent more than a year earlier and 11 percent above the 1960-64 average. Supplies in common storage, totaling 5.5 million cwt., were up 15 percent but cold storage stocks, at 250,000 cwt., were down 14 percent.

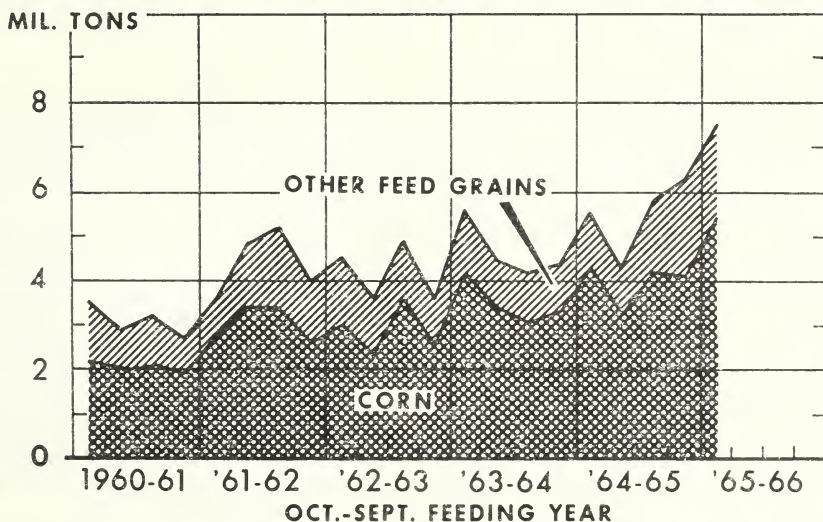
Feed grain exports have risen rapidly during the past year, due both to short supplies in some countries and to continued expansion of demand abroad. In each of the last three quarters, exports topped the previous record high. Much of the increase was due to heavier shipments of corn and grain sorghum.

In October-December, the first quarter of the current feeding year, 7.7 million tons of feed grains were ex-

ported, 2.2 million more than a year earlier. Total exports for 1965-66 are now expected to be around 20 to 25 percent above the 21.6 million tons shipped last year.

Exports of corn during October-December reached a new high of 197 million bushels, 45 million above the previous record in October-December 1964.

## FEED GRAIN EXPORTS, BY QUARTERS



INCLUDES GRAIN EQUIVALENT OF PRODUCTS

# AGR. "TERMS OF TRADE"

## CONTINUE FAVORABLE

Agricultural exports equal about one-sixth of the cash receipts from farming. Thus, it is natural that farmers are concerned about the prices at which their products are sold in world markets. Moreover, these prices are an important element in determining the contribution which farmers have made toward balancing our international payments—helping to stem the tide of the gold outflow. Here are some of the price developments during 1965:

*Price Indexes Decline.* Last fall, world agricultural prices, as measured by index numbers (a way of combining prices for many different products), were at their lowest level in at least 2 years. The Dow-Jones index (prices of 12 agricultural products, most of them produced in the United States) was 13 percent lower in November 1965 than 2 years earlier. During the year ended September 1965, the Dow-Jones index averaged 7.6 percent less than during the preceding year.

The Reuter's index, summarizing prices in the United Kingdom, averaged only 3.6 percent less during October 1964–September 1965 than during the preceding year. It includes nonagricultural products, and it accounts for ocean freight rates.

An index of ocean freight rates during July–September 1965 averaged 118 percent of third quarter 1964 and 145 percent of 1958. During the year ended September 1965, the average was 7 percent higher than a year earlier. Grain freight rates to the United Kingdom averaged 11 percent higher from U.S. gulf ports and 8 percent higher from the St. Lawrence River.

*Terms of Trade Favorable.* Despite generally lower world agricultural prices, a price index for the leading U.S. agricultural exports was up 2.8 percent during October 1964–September 1965 compared with a year earlier. In contrast, a selection of leading U.S. agricultural imports cost \$96.20 compared with \$100.00 a year earlier. The ratio of the export index (102.8) and of the import index (96.2) is known as

"the terms of trade." It was 106.9 percent of the preceding year.

A word of caution, though. These favorable terms of trade for U.S. farmers mean that countries that buy our farm exports must pay more for them and, at the same time, we pay less to the countries from which we buy our leading agricultural imports. Under these conditions, our trading partners may have to buy less or they may have to borrow.

*Product Prices Move in Different Directions.* The export price for wheat, the most important U.S. farm trade product, declined considerably during the year and the quarter ended last September. The price of cotton also slipped both from year to year and from quarter to quarter, but not as much as wheat.

However, these declines were more than offset by sizable price gains for soybeans, soybean oil, inedible tallow, and nonfat dry milk. Corn and rice prices rose somewhat in both periods, while those for wheat flour, protein meal, and flue-cured tobacco rose from year to year and dropped from quarter to quarter, or vice versa. Sorghum grain prices changed little.

*Recent Developments.* After the end of the third quarter last year, prices of several important agricultural exports slipped, either actually (corn and sorghum grain) or in relation to a year earlier (soybeans).

In December, the soybean oil price was about at the year-earlier level, after averaging consistently above it during October 1964–September 1965. Wheat prices were still well below earlier months; cotton prices continued weak.

As a result, agricultural export price indexes for the fourth quarter 1965 and for calendar 1965 are likely to be lower than those for third quarter 1965 and October 1964–September 1965.

Hans G. Hirsch  
Economic Research Service

# More Turkeys Intended During 1966

Turkey growers in 1966 intend to produce 7 percent more birds than last year, according to the Crop Reporting Board.

Growers' plans are to increase output of heavy breeds 6 percent—heavy whites up 15 percent, other heavy breeds down 2 percent.

Assuming growers carry out their intentions, the 1966 turkey crop would be about 112.1 million compared with the revised estimate of 104.7 million raised in 1965. A crop this size would exceed the previous record by 4 percent.

Increased production is planned in all regions. Gains are: South Central, 14 percent; South Atlantic and West, each 9 percent; North Atlantic, 7 percent; West North Central, 4 percent; and East North Central, 3 percent.

Growers intend to raise 43.9 million bronze and other heavy breed turkeys compared with 45.0 million in 1965. Intentions for other heavy breeds are

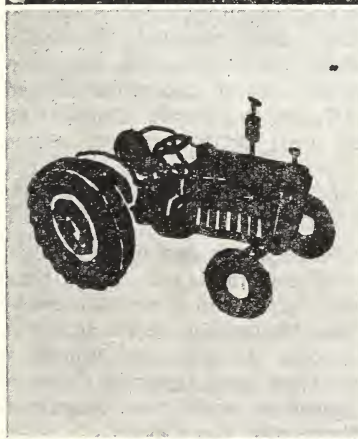
down 12 percent in the West North Central region, 7 percent in the East North Central, and 4 percent in the South Central. Growers' plans are up 10 percent in the South Atlantic, 6 percent in the West, and 5 percent in the North Atlantic.

Producers plan to raise 13.3 million light breed birds this year, 12 percent more than last. All regions expect gains: 19 percent in the West North Central; 11 percent in the South Atlantic; 10 percent in the North Atlantic; 9 percent in the West; 6 percent in the South Central; and a slight rise in the East North Central.

The number of turkeys actually raised in 1966 may vary somewhat from growers' January 1 intentions. For example, on January 1, 1965, growers intended to produce 4 percent more turkeys than in 1964. The crop turned out to be 5 percent more than in 1964.

Clarence D. Caparoon  
Statistical Reporting Service

**TRACTOR: IS BUYING THE ANSWER?** Here's how to figure the cost per hour of use to own and operate a three-to-six bottom tractor. Start with the purchase price of a new or used tractor. Figure the annual depreciation as for tax purposes. Add an allowance for repairs, shelter, insurance and taxes. Include interest charges if borrowing money to make the purchase. Total these fixed annual costs and divide by the number of hours the tractor will be used. To this annual cost per hour, add the per hour operating costs—for fuel, oil and grease. Cost per hour: \$1.98 to \$2.76, depending on size of tractor. If rental rates are cheaper and rental tractors are available, it's probably better to rent than buy. These figures are averages supplied by Colorado wheat farmers in 1960.



Size in bottoms	3	4	5	6
Cost when new	\$3,525	\$4,455	\$5,200	\$6,005
Investment in 1960	\$2,115	\$2,673	\$3,120	\$3,603
Hours of use annually	277	481	473	599
Annual fixed costs:				
Depreciation <sup>1</sup>	\$118	\$210	\$219	\$437
Repairs	63	104	99	141
Shelter, insurance, taxes	56	74	86	107
Interest <sup>2</sup>	169	214	250	288
Total	\$406	\$602	\$654	\$973
Per hour	1.47	1.25	1.38	1.62
Operating costs per hour	.54	.73	.89	1.14
Total	\$2.01	\$1.98	\$2.27	\$2.76

<sup>1</sup> The cost when new less 20 per cent—the remainder divided by estimated years of use. <sup>2</sup> Figured at 8 per cent on capital investment.



# MEET THE STATE STATISTICIAN . . .



## ROBERT STRASZHEIM

ing his senior year, he was offered an appointment as an agricultural statistician with the Ohio Crop Reporting Service. A few days before graduation in 1928, he decided to accept it. Bob's only prior experience with agricultural statistics was the reports that he and his father had filled out and mailed in for many years.

Bob's tour of duty in the Ohio office lasted until September 1933 when he was transferred to New York State. In February 1934, he accepted a temporary assignment on corn-hog estimates in Illinois. When that ended in September, he was transferred to the Indiana office.

Farmers in Indiana won't take a back seat to anybody. Even though theirs is a relatively small State, 22d in size with only 19 million acres of farmland, they rank 3d in production of corn, soybeans, and hogs. And in 1965, Indiana producers led the Nation with recordbreaking yields of corn, tobacco, and popcorn.

Chalking up new Hoosier crop and livestock records keeps Robert E. Straszheim pretty busy. He is Statistician in Charge of the Statistical Reporting Service's Indiana office. But Bob is used to it after 37 years in the business of collecting facts and figures, nearly 10 of them in charge in Indiana.

Bob was born in western Ohio in 1903. One of three children, he was reared on an 80-acre general farm.

After high school, Bob took a short course in agriculture at Ohio State University. But it wasn't long before he realized he wanted more education so he enrolled full time in agricultural education.

While in college, Bob had planned to teach vocational agriculture. But dur-

The following year, Bob was detailed to the Agricultural Adjustment Administration in Washington, D.C., to supervise the collection of corn-hog statistics for the Corn Belt. In 1937, he again returned to Indiana and figured on staying for awhile. But he did leave long enough to go back to Ohio State for a master's degree in agricultural economics and statistics, which he received in 1940. In 1956, Bob was placed in charge of the Indiana office.

In 1927, Bob married ClaraBelle Shepherd. ClaraBelle, like many a student wife before and since, earned her P.H.T. (putting hubby through) by teaching until Bob graduated. Since then, the Straszheims have reared a family of five and put them all through Purdue University.

After office hours and on weekends, Bob has always managed to find time for church board and committee meetings. Mrs. Straszheim also is active in church work. In addition, Bob is a member of the local Optimist Club—a past president—and the American Farm Economics Association.



## For Farmers

### *Agricultural Statistics, 1965*

A fact-filled yearbook that pinpoints recent developments in American agriculture. The 11 chapters and more than 600 pages provide tables and other information on agricultural production, and prices, supplies, costs, income, and related subjects.

"Agricultural Statistics, 1965" is available for \$1.75 (please send check or money order) from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

### *Drying Shelled Corn and Small Grains*

This bulletin, FB-2214, gives detailed information and comparisons on methods commonly used to dry shelled corn and small grains on the farm. Bins and auxiliary drying equipment also are discussed.

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### *What Young Farm Families Should Know About Credit*

The why, when, how, where, and cost of using credit are covered in this publication. It also shows how to figure true interest rates and gives the borrower an idea of the questions he should ask when applying for a loan.

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### *Insurance Facts for Farmers*

Need some background on insurance? This pamphlet will help. It has information on fire and windstorm, crop-hail, Federal crop, liability, life, and annuity coverage, as well as social security.

Copies of this publication, FB-2137, are 10 cents each from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

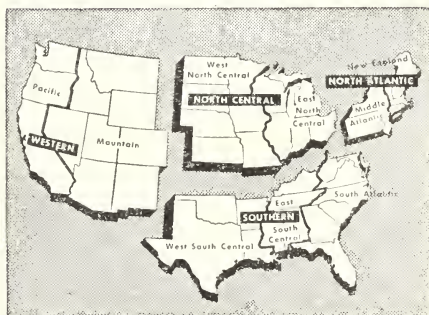
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